

F. 2004 FLEET MANAGEMENT PROGRAM GOALS

In 2004, the Office of Administration, with input from agency fleet coordinators, will explore several more options to further improve the efficiency of the state fleet. Since the Fleet Information System will be in operation for one full year in July 2004, vehicle cost and utilization data will be available to assist in formulating recommendations for future fleet management initiatives.

Below are the fleet management goals for 2004:

Goals

1. Reduce the number of underutilized vehicles by 25%
2. Analyze fleet financing options
3. Analyze potential for savings through contracted vehicle maintenance services
4. Explore options to increase residual value of state vehicles sold through State Surplus Property
5. Improve fleet efficiency by completing a review of all reportable commuting assignments and assist agencies in making the most cost effective vehicle assignments within their fleet

1. Reduce the number of underutilized vehicles by 25%

The Commissioner of Administration directed agencies to reduce the number of underutilized passenger vehicles (vehicles driven less than 5,000 miles annually) by 25% by June 30, 2004. Vehicles that are specially equipped or with a gross vehicle weight rating in excess of 8,500 pounds are excluded from the reduction effort.

Additionally, agencies will be asked to justify vehicles driven less than 5,000 miles annually that are not eliminated through the reduction effort.

2. Analyze various fleet financing options

In 2003, the State Fleet Management Program determined the cost to own and operate state vehicles and began exploring other fleet financing options. As described on page 29 the condition of the state passenger fleet will reach a critical point when 59% of the passenger fleet exceeds the 105,000 minimum replacement mark by the end of FY'06. The program will develop a vehicle replacement assessment and present the cost of various financing options in preparation for the FY'06 budget cycle.

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3. Analyze potential for savings through contracted vehicle maintenance services

In 2003, a survey of other states maintenance practices indicated states used a combination of methods to control maintenance expenditures. The age and condition of the state fleet is deteriorating and agencies are likely to spend more on maintenance; therefore, it is critical to control maintenance expenditures where possible. Where there is a sufficient cluster of state vehicles, as in the major metropolitan areas, contracts could be established for comprehensive and/or specialized repair services. The State Fleet Management Program will form an exploratory committee to formulate and implement recommendations for managing state maintenance and repair expenditures.

4. Explore options to increase residual value of state vehicles sold through State Surplus Property.

Used vehicle prices have become deflated in recent years due to the onslaught of new vehicle financing incentives offered by the auto industry. Fleets around the country are experiencing less than expected returns on vehicle sales. The State Fleet Management Program initiated discussions with the Missouri State Agency for Surplus Property to explore various options to increase the resale value of state vehicles. Some of the available options include minor vehicle reconditioning, safety inspections and increased promotional activities.

The Missouri Department of Transportation has agreements with various auto auction companies around the state that charge little or no administrative expense. MoDOT officials believe their sales proceeds have increased since they transitioned away from conducting their own auctions. The State Fleet Management Program will work with agency fleet coordinators to research best practices, develop ideas and test options.

5. Improve fleet efficiency by completing a review of all reportable commuting assignments and assist agencies in making the most cost effective vehicle assignments within their fleet

In 2004, the State Fleet Management Program will review all reportable commuting assignments as described on page 31 to ensure consistency in commuting across state agencies. The program will also provide state agencies with employee mileage reimbursement and state vehicle cost data to assist agencies in making the most cost effective vehicle assignments.